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ILLINOIS DOCUMENTS

TRS FACTS

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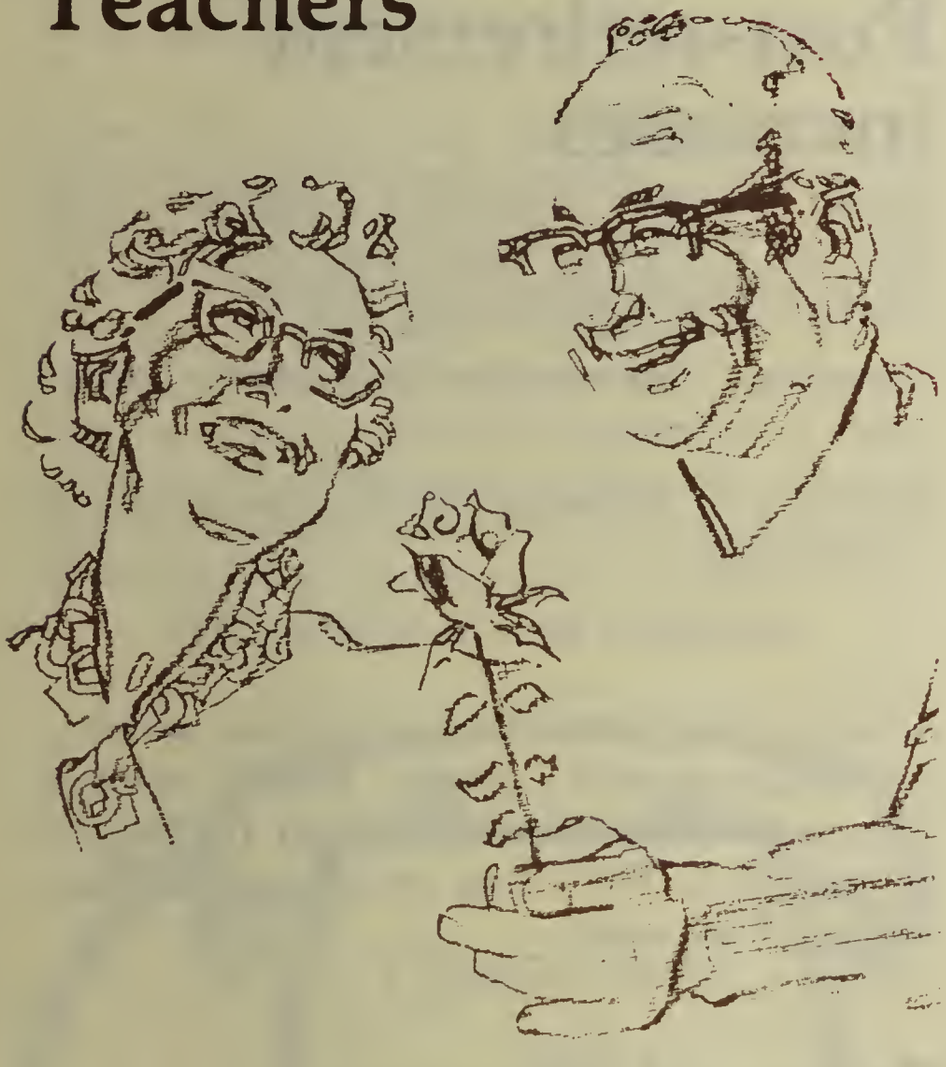
Information for Retired Teachers



TEACHERS'
RETIREMENT SYSTEM
OF ILLINOIS

Benefit payments

Benefit payments are mailed by the Office of the State Comptroller on the last working day of each month and represent payment for that month. This payment will be received during the first week of the following month. If payment is not received by the tenth of the month, contact TRS and request a replacement.

Benefit payments will be suspended if two payments have not been cashed. This insures delivery to the proper person. The benefit payments will be reinstated without monetary loss after proper disposition is made of previous issues.

Post-retirement increases

Retired members completing creditable service after July 1, 1969 are paid annual increases. The initial increase is effective the later of:

- January 1, following the attainment of age 61; or
- January 1, following the first anniversary in retirement.

(Payable at the end of the month)

After this, the increase is automatically added to the January benefit payment. Retired members with **no creditable service after July 1, 1969,** will be notified by TRS if they are entitled to a post-retirement increase.

Power of Attorney

The annuitant may request benefit payments be mailed to a bank for deposit if a Power of Attorney affidavit and a permanent home address are on file. Power of Attorney affidavits are available from TRS upon request.

Health insurance

Any person receiving a monthly warrant from TRS can take advantage of the TRS Health and Prescription Drug Insurance program. Eligible dependents of an annuitant, such as a spouse or unmarried child under age 18, may enroll in the insurance program.

The TRS insurance program offers two types of coverage: medical and prescription drugs. The medical coverage has a $1 million life-time limit. This includes coverage for in-patient and out-patient care, doctor's office visits, long-term and short-term illnesses and accidents. An annual deductible is included on the health portion of the program. The prescription drug portion provides 100 percent coverage if prescriptions are purchased at a PAID Prescription pharmacy.

Income tax

TRS monthly benefit payments are exempt from Illinois income tax. The annuitant is responsible for filing the proper tax returns.

Monthly benefit payments are subject to Federal income tax when gross monthly benefits paid exceed previously-taxed contributions. During the month benefits exceed the previously-taxed contributions, TRS will tell the annuitant that the benefit has become taxable.

Address change

A change of address notice must be received by TRS before the tenth of the month to reflect the change on the next benefit payment. Please submit a change of address to TRS giving Social Security number, name, old and new addresses, and the date of change. TRS must have a home address on record even though the warrant is being sent directly to a bank.

The insurance automatically becomes a supplement of Medicare when a person reaches age 65. The TRS insurance will pay the balance of all claims that are reasonable and customary that Medicare does not pay, after the annual deductible has been met. The annuitant who does not have Medicare coverage must be responsible for what Medicare would have paid. The prescription drug portion of the program is not related to Medicare.

TRS contributes an amount equal to one-half of the annuitant's premium as part of the TRS insurance program. The balance of the annuitant's premium plus the total premium for dependent coverage is deducted from the monthly annuitant's warrant.

When this occurs, TRS will send the annuitant an Internal Revenue Service Form W-4P. This form allows the annuitant to decide whether or not to have TRS withhold from the benefit and how many exemptions to claim.

If the W-4P form is not returned, TRS will automatically withhold based on rates for a married individual claiming three exemptions.

Questions regarding tax liability should be directed to the nearest U.S. Internal Revenue Service office or a tax consultant.

Employment

After retirement a teacher may be employed in the public, tax-supported schools of Illinois for a maximum of 75 paid days or 375 paid hours while retaining an age retirement allowance. Employment beyond these limits must be promptly reported to TRS. A teacher may be employed for an unlimited amount of time in Illinois private or parochial schools or out-of-state schools while retaining TRS benefits.

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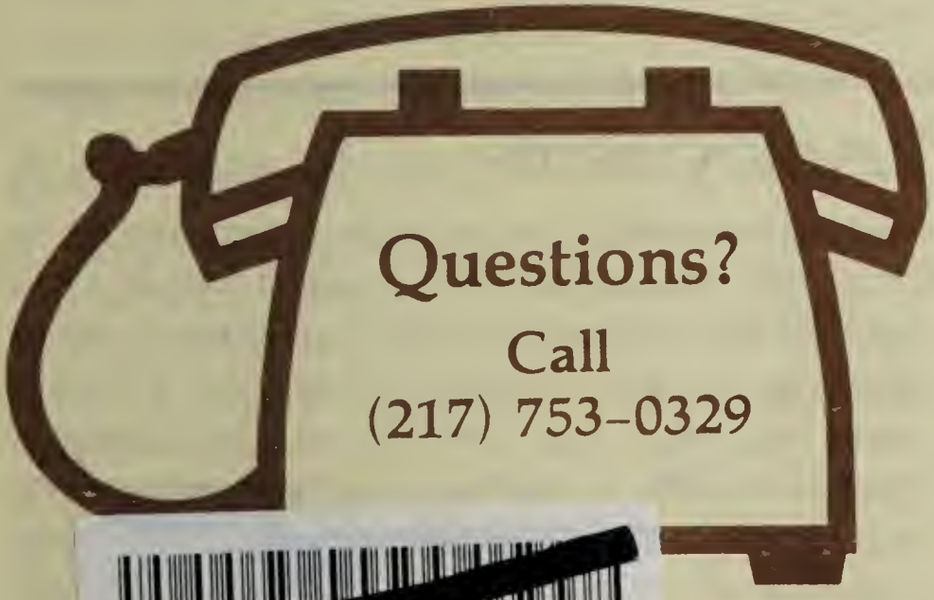
Survivor benefits

A survivor benefit is paid to the beneficiary of a retired teacher who had at least one year of creditable service after July 24, 1959. Under certain conditions this benefit will be paid to the surviving spouse of a retired teacher who did not have creditable service after July 24, 1959. Annuitants must file a nomination of beneficiary form with TRS to assure payment of the benefit to the individual of their choice.

Besides the survivor benefit, beneficiaries can receive any accumulated contributions with interest that have not been remitted as pension.

A lump sum survivor benefit, payable to any named beneficiary, is never less than $1,000 or ⅙ of the final salary.

Dependent beneficiaries can elect to receive the benefit through monthly income. A spouse, unmarried children under age 18, or parents who receive more than 50 percent of support from the teacher are dependent beneficiaries. After a $1,000 one-time payment the appropriate monthly income is based on the member's particular situation as described by law. The maximum monthly benefit is $400 for one beneficiary unless 50 percent of earned pension is greater.



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This brochure explains the general provisions of the laws governing TRS. If any conflict arises between material in this brochure and that of the law, the law takes precedence. If you have any questions, contact TRS at the following address:

Teachers' Retirement System
P.O. Box 4057
2815 West Washington
Springfield, Illinois 62708
Phone: 217/753-0329

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